

Office of City Auditor

SPECIAL STUDY OF SEATTLE INDIAN SERVICES COMMISSION

May 1, 2000

April 30, 2000

The Honorable Paul Schell
Seattle City Councilmembers
City of Seattle
Seattle, Washington 98104-1876

Dear Mayor Schell and City Councilmembers:

Attached is our report regarding the Seattle Indian Services Commission. The study found that the Commission's management practices were consistent with City policies and the Commission's charter, rules and regulations. In addition, the Commission's response to a difficult management issue—the proposed relocation of the Seattle Indian Center's food program to create needed child care space—demonstrated its responsiveness to tenant agencies and commitment to sound management practices. Two financial compliance issues were also addressed in a separate management letter during the study process.

The study also presents information on the functions of the City's Public Development Authority (PDA) Coordinator. While we did not audit the PDA Coordinator's function, the roles and responsibilities of the Coordinator are highlighted in this study as a useful reference for City officials, staff and citizens interested in the ongoing operations and activities of the nine PDA's.

The Seattle Indian Services Commission's response to the study largely ignores the positive findings. In fact, the response redresses the study findings and its own history of judicious management practices by focusing on its frustrations in resolving the difficult space issue. However, we appreciate the excellent cooperation received from the Seattle Indian Services Commission and the PDA Coordinator during our review process. If you have any questions regarding this report or would like additional information, please call me at 233-1093 or Susan Baugh at 669-6330. To improve our work, we ask our readers to complete and return the evaluation form at the back of this report.

Sincerely,

Susan Cohen
City Auditor

Enclosure

Office of City Auditor

**SPECIAL STUDY
OF
SEATTLE INDIAN
SERVICES COMMISSION**

May 1, 2000

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EXECUTIVE SUMMARY

INTRODUCTION

The Seattle Office of City Auditor initiated the study of the Seattle Indian Services Commission in 1999 as the third study in a series on City chartered public development authorities. The purpose of the study was to determine whether the Seattle Indian Commission management was reasonable and consistent with City policies and directives. In addition, the study provides information on the City's Public Development Authority (PDA) Coordinator as a useful reference for City officials, staff and citizens interested in the ongoing operations and activities of the nine public corporations.

SUMMARY OF SIGNIFICANT ISSUES RAISED AND AUDIT FINDINGS

Finding 1: Management of the Seattle Indian Services Commission Was Generally Consistent With Its Charter, City Policies, and Its Rules and Regulations.

The program and activities undertaken by the Seattle Indian Services Commission have generally been consistent with its charter, rules and regulations and with significant policies and programs. In addition, the Seattle Indian Services Commission and its constituent agencies have successfully accomplished the objective set forth in the purpose statement for its charter. Although compliance issues were occasionally identified during the past 27 years, the majority issues were minor, and the Commission has been responsive to requests for information from City officials and staff and from the Native American/Alaskan Native Community.

Finding 2: The Proposed Relocation of the Community Meals Program Demonstrates the Seattle Indian Services Commission's Responsiveness to Tenant Agencies and Commitment to Sound Property Management Practices.

During the course of the study, important issues were raised regarding the Seattle Indian Center's need for additional space. Specifically, the Seattle Indian Center asked the Seattle Indian Services Commission to relocate the Center's community meals program from the Leschi Center to the Pearl Warren Building. The impetus for the proposal was the need to create additional space for an expansion of the Seattle Indian Center's Tillie Cavanaugh Child Care Program to meet growing demands for infant and child care. While the proposed relocation of the community meals program was denied, the Commission has continued to work with the Seattle Indian Center to identify alternative space, consistent with its mission of providing facilities to for programs serving the Native American/Alaskan Native Community.

Finding 3: Seattle Indian Services Commission's Financial Management Practices Were Generally Consistent With City Policies And Contractual Agreements For Financing Its Facilities With Public Bonds.

Based upon the review of the Seattle Indian Services Commission audits and information provided by the Commission and PDA Coordinator, the Seattle Indian Services Commission was generally in compliance with financial policies and contracts. However, two exceptions were

noted regarding the Seattle Indian Services Commission's investments and delayed tenant payment of facility maintenance expenses, which were addressed by the Commission.

RECOMMENDATIONS/SUGGESTION

1. The Seattle Indian Services Commission should continue to pursue space alternatives for the Seattle Indian Center. The Executive Director should continue to work closely with both the Seattle Indian Center and Seattle Indian Health Board to ensure that the interests of both tenant agencies and the Native American/Alaskan Native community are appropriately served.
 2. The Seattle Indian Services Commission should also continue to adhere to Washington State, City of Seattle, and its own new policies regarding the investment of funds in excess of those required for its operations. In addition, the Commission should review the interlocal agreements with the City of Seattle for the Leschi Center and the Pearl Warren Building to ensure that it is in compliance with all requirements related to the various debt service and maintenance funds.
 3. City of Seattle officials, staff and citizens are also encouraged to contact the PDA Coordinator as a knowledgeable resource on the operations and activities of the nine public corporations when relevant questions or issues arise.
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CHAPTER 1: INTRODUCTION

BACKGROUND

The Seattle Indian Services Commission is a public corporation chartered by the City of Seattle in 1972 for the purpose of providing effective, comprehensive, and coordinated programs, services and activities to meet the unique needs of Seattle's Native American residents. (Please see Appendix 1 for statement of purpose.) The Seattle Indian Services Commission is comprised of eight representatives appointed by four constituent agencies:

- American Indian Women's Service League,
- Seattle Indian Center,
- Seattle Indian Health Board, and
- United Indians of All Tribes Foundation.

The four constituent agencies jointly applied for the City charter in 1972. Each constituent agency appoints two members to the Commission, subject to the approval of the Seattle City Council.

Seattle Indian Services Commission's Primary Function Is the Management of Facilities for Native American/Alaskan Native Service Organizations

The Seattle Indian Services Commission's primary function is to manage and operate facilities for service organizations that offer direct services for Native Americans/Alaskan Natives. Under the auspices of the Seattle Model City Program, the Seattle Indian Services Commission acquired its first property, the Henry Broderick Building, with a grant of \$600,000. The Seattle Indian Services Commission's initial efforts were focused on building renovations to bring the facility into compliance with the City's building code and to create appropriate space for the service organizations. The Commission received approximately \$500,000 in City and Federal grant funds for renovation and remodeling activities.

The Henry Broderick Building was sold in 1982. The proceeds were used to develop a parcel of land located at 12th Avenue South and South Weller Street. The Seattle Indian Services Commission completed construction of the Leschi Center on one parcel in 1988 and, at the request of the Seattle Indian Health Board, completed construction of the Pearl Warren Building on the second parcel in 1996.

Construction of both the Leschi Center and the Pearl Warren Building were financed through Special Obligation Revenue Bonds that were guaranteed by the City. Bonds in the amount of \$4.67 million were issued for the construction of the Leschi Center, which contains the 14,000 square foot office and service facilities leased by the Seattle Indian Center, and a 28,000 square foot medical facility leased by the Seattle Indian Health Board. Bonds in the amount of \$6 million were issued for the construction of the Pearl Warren Building, which is a 22,000 square foot office complex that is substantially leased by the Seattle Indian Health Board for its administrative offices. In addition, the administrative offices of the Seattle Indian Services Commission and the American Indian Women's Service League are currently located in the

Pearl Warren Building, along with gathering space for the Native American/Alaskan Native community.

Seattle Indian Services Commission Provides Options Program for Native American/Alaskan Native Youth

In addition to facilities management functions, the Seattle Indian Services Commission assumed management of a craft shop, *Traditions and Beyond*, formerly owned and operated by the American Indian Women's Service League. *Traditions and Beyond* specializes in Native American arts and crafts. The Seattle Indian Services Commission also offers an Options Program which explores lifestyle options for Native American/Alaskan Native youth. The Options Program provides tutoring, counseling, exposure to job opportunities and other enrichment activities to prepare high school students for colleges and careers. In addition, the Seattle Indian Services Commission provides scholarships to assist college students, and has sponsored career fairs for youth. However, these activities are limited in scope, particularly compared to the Seattle Indian Services Commission's property and facilities management responsibilities.

Tenant Agencies Provide Direct Social And Health Services to the Native American/Alaskan Native Community

As noted above, both the Seattle Indian Center and Seattle Indian Health Board are tenants as well as constituent agencies of the Seattle Indian Services Commission. As envisioned by the Seattle Indian Services Commission Charter, these non-profit agencies, rather than the Commission, provide direct social and health services for the Native American/Alaskan Native community.

When the Seattle Indian Services Commission was formed in 1972, the Seattle Indian Center assumed responsibility for the social service programs formerly managed by the American Indian Women's Service League, including the community meals program. Currently, the Seattle Indian Center provides a range of social services. These services include the community meals program, food bank, child care, education, employment, transitional housing and other emergency assistance services for more than 22,000 Native Americans/Alaskan Natives and economically disadvantaged residents of Seattle.

The Seattle Indian Health Board is the largest urban Native American health care center in the country, and provides a range of direct health services to Native Americans/Alaskan Natives. These services include primary health care, pediatric health services, mental health, substance abuse treatment, and dental care services. In addition, the Seattle Indian Health Board operates the only Native Indian Family Residency Program in the nation in conjunction with the University of Washington School of Medicine.

STUDY OBJECTIVES

The Seattle Office of City Auditor initiated the study of the Seattle Indian Services Commission in 1999 as the third study in a series on City chartered public development authorities. The purpose of the study was to determine whether the Seattle Indian Commission management was reasonable and consistent with City policies and directives.

SCOPE AND METHODOLOGY

Audit staff reviewed and analyzed relevant Washington State laws as well as City of Seattle ordinances and policies regarding public corporations. In addition, audit staff reviewed both historic and current documents regarding the Seattle Indian Services Commission and its management of previous and current facilities for organizations serving the Native American/Alaskan Native community. All documents included in the Official Records of Proceedings for the 1987 and 1994 Special Obligation Bonds were reviewed. Audit staff also interviewed officials, managers, and representatives from the City of Seattle, Seattle Indian Services Commission, American Indian Women's Service League, Seattle Indian Center, and the Seattle Indian Health Board.

This study also contains information regarding the functions of the City of Seattle's Public Development Authority (PDA) Coordinator. The PDA Coordinator position was established to provide continuous monitoring and reporting on the operations of the City's nine public corporations. While we did not audit the PDA Coordinator's function, the roles and responsibilities of the Coordinator are highlighted in this study as a useful reference for City officials, staff and citizens interested in the ongoing operations and activities of the nine public corporations.

The study of the Seattle Indian Services Commission was conducted between September and December, 1999, in accordance with generally accepted government auditing standards.

CHAPTER 2: SEATTLE INDIAN SERVICES COMMISSION

This chapter focuses on the review of the Seattle Indian Services Commission's management practices and its compliance with City ordinances, policies, and contractual agreements for public financing and operation of its facilities. In addition, the chapter examines the Seattle Indian Services Commission's response to recent tenant concern about additional space to expand child care services provided for the Native American/Alaskan Native community and neighborhood residents.

FINDINGS AND RECOMMENDATIONS

FINDING 1: MANAGEMENT OF THE SEATTLE INDIAN SERVICES COMMISSION WAS GENERALLY CONSISTENT WITH ITS CHARTER, CITY POLICIES, AND ITS RULES AND REGULATIONS.

The programs and activities undertaken by the Seattle Indian Services Commission have generally been consistent with its charter, rules and regulations, and with significant City policies and procedures. The Seattle Indian Services Commission and its constituent agencies have successfully accomplished the objectives set forth in the purpose statement for its charter. Specifically, the Commission and its constituent agencies have established programs to expand housing; create job and income opportunities; reduce dependence upon welfare payments; improve educational facilities and programs; combat disease and ill health; decrease incidents of crime and delinquency; and enhance recreational and cultural opportunities.

Although compliance issues have occasionally been identified during the past 27 years, the majority of issues were generally minor, such as the failure to file official records with the City Clerk's Office. The Seattle Indian Services Commission has taken immediate corrective action when compliance issues were identified. In addition, the Commission has been highly responsive to requests for information on issues made by City officials and staff and from the Native American/Alaskan Native community and the community at large.

Seattle Indian Services Commission Is a Well-Managed Public Corporation

The City's PDA Coordinator indicated that the Seattle Indian Services Commission is a well-managed public corporation. One contributing factor to the successful management and operation of the Commission, particularly its property management practices, is the lengthy tenure of the Executive Director. The current Executive Director, who has worked with the Commission for the past 15 years, has a strong property management background. This is important because the Executive Director's representative duties, consistent with the Seattle Indian Services Commission's charter, include:

- Planning and development of facilities to be leased by eligible providers of services to the Native American/Alaskan Native Community;
- The purchase and sale of properties for the development of facilities;
- Development of community center space to be used by members of the Community;

- Technical assistance for eligible agencies and organizations seeking to develop space for uses consistent with the goals of the Commission and the purposes stated in its charter; and
- Ongoing management of Commission property and facilities, which ranges from investment of revenues to facilities and grounds maintenance.

During his tenure, the Executive Director has successfully managed the development of the Leschi Center, Pearl Warren Building and a 34-unit Seattle Housing Authority housing complex for Native Americans/Alaskan Natives that is located adjacent to the Leschi Center. (The residents of the housing complex receive social and health services from the Seattle Indian Center and Seattle Indian Health Board.) The Seattle Indian Services Commission's property has been well-maintained and the financial obligations associated with payment of the Special Obligation Revenue Bonds have been consistently met.

Seattle Indian Services Commission Has Been Responsive to Tenant Concerns and Has Generally Maintained Good Working Relationships with Constituent Agencies and the Community

During the course of the study, the tenant agencies described previous and current concerns regarding major maintenance activities for the Leschi Center and Pearl Warren Building. These concerns suggested the need for better definition of the Seattle Indian Services Commission's roles and responsibilities for maintenance of the two facilities. In addition, issues were raised about the professionalism of the Seattle Indian Services Commission's meeting minutes. The Seattle Indian Services Commission President and Executive Director have already responded to these issues. A memorandum was sent to the tenant agencies in October 1999 clarifying the roles and responsibilities of the Commission and tenant agencies for maintenance activities, consistent with the Leschi Center and Pearl Warren Building lease agreements. In addition, the recent meeting minutes document a higher degree of professionalism in recording the Seattle Indian Services Commission's operations and activities, consistent with good business practices.

The Executive Director has generally maintained good working relationships with the constituent agencies and Native American/Alaskan Native community. Although relations among the Seattle Indian Services Commission and the constituent agencies were strained due to an unresolved space issue (please see next finding for in-depth information about these space issues), the Executive Director recently proposed an appropriate alternative that was unanimously accepted by the Commission members. In addition, the Executive Director has taken steps to reestablish professional communications among the organizations.

RECOMMENDATION

None. Please see related recommendations at the end of the next finding.

FINDING 2: THE PROPOSED RELOCATION OF THE COMMUNITY MEALS PROGRAM DEMONSTRATES THE SEATTLE INDIAN SERVICES COMMISSION'S RESPONSIVENESS TO TENANT AGENCIES AND COMMITMENT TO SOUND PROPERTY MANAGEMENT PRACTICES.

During the course of the study, important issues were raised regarding the Seattle Indian Center's need for additional space. In December 1998, the Seattle Indian Center asked the Seattle Indian Services Commission to relocate the Center's community meals program from the Leschi Center to the Pearl Warren Building. The impetus for the proposal was the need to create additional space for an expansion of the Seattle Indian Center's Tillie Cavanaugh Child Care Program to meet growing demands for infant and child care. Increased space was specifically required to address Washington State licensing requirements for a separate infant area within the existing child care space, located adjacent to the area where community meals are served at the Leschi Center.

The Seattle Indian Center requested the use of an area in the Pearl Warren Building, which is currently designated as community rental space. The community space was the only area large enough with adjacent kitchen facilities to comfortably accommodate the community meals program and was available on a rental basis for the Commission, its tenants and the Native American community. The Seattle Indian Center indicated that it would pay the regular rental rate for the community space, which would generate additional rental revenue for the Seattle Indian Services Commission during the week.

Important Issues Raised by the Seattle Indian Health Board Regarding Proposed Use of Pearl Warren Building

The Seattle Indian Health Board, the principal tenant of the Pearl Warren Building, immediately raised issues about the relocation of the community meals program into the community space. The Executive Director of the Seattle Indian Health Board identified 20 issues in a memorandum to the Seattle Indian Services Commission. Many of the issues were significant, including:

- What discounts or other financial arrangements and adjustments would be negotiated with the Health Board as the principal tenant and party substantially responsible for the payment of the tax free bonds issued for the construction of the facility?
- Who determines the meaning of the lease term "quiet enjoyment" and the compatibility of the uses for the Pearl Warren Building? (Again, the Pearl Warren Building was primarily constructed to house the administrative offices of the Seattle Indian Health Board.)
- If the community space is available for alternative uses, would all Seattle Indian Service Commission constituent agencies be given equal opportunity to propose projects and use for the space?
- What decision making authority did the Seattle Indian Health Board have as the principal tenant and party substantially responsible for the payment of the Special Obligation Revenue Bonds issued for the construction of the facility?
- How would building security be handled at the Pearl Warren Building during hot meal service, and how would the Seattle Indian Health Board be compensated for any damage or

destruction to its leased property? (Note: The Seattle Indian Health Board currently pays for security services at the Leschi Center to protect its property from vandalism.)

The Seattle Indian Health Board requested that the Seattle Indian Services Commission explore other alternatives before the “extraordinary step” was taken to relocate the community meals program to the community space in the Pearl Warren Building.

Seattle Indian Center’s Request to Relocate Hot Meal Program Denied by the Seattle Indian Services Commission

In response to the issues raised by the Seattle Indian Health Board, the Seattle Indian Services Commission established a three-member committee to review and offer a recommendation to the full Commission on the proposed relocation of the community meals program to the Pearl Warren Building. The Seattle Indian Center and the Seattle Indian Health Board each appointed one member to the committee, and the President of the Commission selected the third committee member who served as the committee chair.

Based on the analysis of the issues, the subcommittee did not support the relocation of the community meals program. In turn, the full Commission denied the Seattle Indian Center’s request after a formal vote was taken in which six of the eight Commission members opposed the relocation. However, the Seattle Indian Services Commission, and the committee itself in its report to the Commission, expressed their willingness to consider another space proposal from the Seattle Indian Center.

It should be noted that the Commission gave heavy weight to the Seattle Indian Health Board’s concerns as the primary tenant of the Pearl Warren Building and the party that is contractually responsible for a substantial portion of the lease. In fact, the Seattle Indian Health Board is clearly identified as the leasing agency in the official statement for the 1994 Special Obligation Revenue Bonds, and the Health Board’s lease rate, including maintenance, taxes and insurance expenses, is substantially equivalent to the projected debt service for the bonds.

In addition, the Seattle Indian Services Commission also gave weight to the Native American/Alaskan Native Community’s need for rental space. Location of community space in the Pearl Warren Building was also used to justify the 1994 bonds, and the Executive Director provided rental data that demonstrated the active use of the community space.

Alternative Proposal Developed to Address Unresolved Space Issues by Relocating Child Care Program

While the Seattle Indian Center’s provided an extensive response to the Seattle Indian Services Commission and Seattle Indian Health Board’s requests for information regarding space needs, the need for additional space to expand the Tillie Cavanaugh Child Care Program remained unresolved from March to October 1999,. Relations among several of the Commission’s constituency groups became strained. For example, a question was raised about the impartiality of the Seattle Indian Services Commission staff regarding the agency’s clients and the relocation

of the community meals programs. Some unresolved issues were brought to the attention of the Mayor, City Council, and the City's PDA Coordinator.

Finally, in October 1999, the Executive Director of the Seattle Indian Services Commission proposed another solution focusing on the relocation of the child care program rather than the community meals program to the Pearl Warren Building. The Executive Director recommended that the Commission develop an additional 6,797 square foot space over the unsecured parking area at the Pearl Warren Building. This would provide approximately 5,438 square feet for the Tillie Cavanaugh Child Care Program. In addition, a play space would be created specifically for the child care program clients. The proposed development cost was estimated to be between \$675,000 and \$1.1 million.

The Commission members unanimously endorsed the proposal during the meeting, and authorized the Executive Director to initiate discussions with a structural engineer. Subsequently, the Executive Director retained a structural engineer to conduct a feasibility analysis for expanding the Pearl Warren Building. If the structural engineer determines that the expansion is feasible, the Commission authorized the Executive Director to enter into discussions with the Seattle Indian Health Board to ensure that their interests are appropriately represented.

Although the alternative space proposal will not be formally presented to the Seattle Indian Center Executive Director until the structural analysis is complete, the Executive Director of the Commission sent a letter to the Seattle Indian Center in October reiterating his willingness to work together to find a solution to the space needs. The Commission's willingness to maintain open communications is important to identifying suitable space to accommodate the Seattle Indian Center's child care and the community meals programs at an affordable cost.

Contractual Agreements and Past Practices Suggest that the Seattle Indian Services Commission Should Give Priority to Tenants Regarding Space Allocation Issues

Finally, it should be noted that the original agreement between the City and Seattle Indian Services Commission for the acquisition of Henry Broderick Building recognized that each constituent organization of the Seattle Indian Services Commission was to be given a reasonable amount of space within the building for its programs. Space allocations were to be commensurate with the constituent organization's needs and its ability to contribute to the financial maintenance of the building. Furthermore, the space allocations were to take priority over any other space allocations made by the Seattle Indian Services Commission.

Past practices suggest that the Seattle Indian Services Commission has given priority to tenant agencies' space needs. For example, prior to the construction of the Pearl Warren Building, the Seattle Indian Services Commission permitted the Seattle Indian Health Board to expand its operation into the then designated community space. In this instance, other contractual and compatible use issues were raised that precluded the relocation of the community meals program into the designated community space in the Pearl Warren Building. However, given the important role of the Seattle Indian Services Commission in providing facilities specifically to house social services programs that serve the Native American/Alaskan Native community, it is

crucial that the Commission work closely with the Seattle Indian Center to resolve current and future space issues satisfactorily.

RECOMMENDATION

The Seattle Indian Health Services Commission should continue to pursue space alternatives for the Seattle Indian Center. The Executive Director should continue to work closely with both the Seattle Indian Center and Seattle Indian Health Board to ensure that the interests of both tenant agencies and the Native American/Alaskan Native community are appropriately served.

FINDING 3: SEATTLE INDIAN SERVICES COMMISSION'S FINANCIAL MANAGEMENT PRACTICES WERE GENERALLY CONSISTENT WITH CITY POLICIES AND CONTRACTUAL AGREEMENTS FOR FINANCING ITS FACILITIES WITH PUBLIC BONDS.

As a public corporation, the Seattle Indian Services Commission is responsible for complying with Washington State laws and the Seattle Municipal Code provisions relating to public corporations. In addition, the Seattle Indian Services Commission is responsible for complying with the interlocal agreements with the City for the financing of the Leschi Center and Pearl Warren Building.

Based upon the review of the Seattle Indian Services Commission audits and information provided by the Commission and PDA Coordinator, the Seattle Indian Services Commission was generally in compliance with financial policies and contracts. However, two exceptions were noted regarding the Seattle Indian Services Commission's investments and delayed tenant payment of facility maintenance expenses, which were addressed by the Commission.¹

RECOMMENDATIONS

The Seattle Indian Services Commission should continue to adhere to Washington State, City of Seattle, and its own new policies regarding the investment of funds in excess of those required for its operations. In addition, the Seattle Indian Services Commission should review the interlocal agreements with the City of Seattle for the Leschi Center and the Pearl Warren Building to ensure that it is in compliance with all requirements related to the various debt service and maintenance funds.

¹These issues are discussed in the City Auditor's letter to the Seattle Indian Services Commission's Executive Director, January 20, 2000.

CHAPTER 3: PUBLIC DEVELOPMENT AUTHORITY COORDINATOR

As noted in Chapter 1, this study of the Seattle Indian Services Commission is the third one completed by the Auditor's Office in a series on the City's public corporations. During each study, the Auditor's Office has consulted with the City's PDA Coordinator as the liaison between the City, the public corporations and the community. The PDA Coordinator has worked with the public corporations for 13 years and has consistently been an excellent resource due to her responsibilities for the continuous monitoring and reporting on significant agency activities.

The PDA Coordinator is currently responsible for numerous activities and products. These include:

- Review of program activities for compliance with the City charter and for compliance with the Seattle Municipal Code, SMC 3.110, that governs the operations of public corporations.
- Review of the budgets, financial reports, and audit reports for each public corporation, which are submitted either annually or semi-annually based on mandated reporting requirements.
- Assist with identification and selection of individuals to serve on Public Corporation Councils, and help prepare confirmation packages for review by City officials. (Some Council (Commission) members are appointed by the Mayor, and all appointments are subject to confirmation by the City Council.)
- Negotiate and administer interlocal agreements between the City and the public corporations.
- Provide analysis, briefings and staff support for City staff and elected officials regarding current or proposed public corporation issues.
- Assist City and public corporation officials and staff with the resolution of complex and sensitive issues.
- Provide information regarding the operations and activities of the public corporations to the public, the press, City elected officials and staff, and other jurisdictions.
- Evaluate the compliance of public corporations and performance in relation to City policies and goals.
- Develop reports on the City's nine public development authorities and their significant accomplishments during the reporting period.

Appendices 3 and 4 provide a complete listing of the schedules and reporting requirements for public corporations. Because the PDA Coordinator reviews these materials and follows up on irregularities and issues that are identified in the reports, as well as investigates complaints from the City and community, the PDA Coordinator has both historic and comprehensive knowledge that can be useful when new issues arise. For example, audit staff consulted with the PDA Coordinator during the course of this study about the investment and space expansion issues that are addressed in the report. The consultations were useful for several reasons. The PDA Coordinator was able to provide: 1) historic documents on the Special Obligation Revenue

Bonds that were not available from other sources; 2) current information on the Seattle Indian Services Commission investment activities; 3) constructive suggestions for developing the findings and recommendations; and 4) suggestions regarding the need to observe the Seattle Indian Services Commission's rights and responsibilities as an independent entity as well as a public corporation.

RECOMMENDATION/SUGGESTION

City of Seattle officials, staff and citizens are encouraged to contact the PDA Coordinator as a knowledgeable resource on the operations and activities of the nine public corporations when relevant questions or issues arise.

APPENDIX 1

SEATTLE INDIAN SERVICE COMMISSION STATEMENT OF PURPOSE

The following statement of purpose was extracted from Article IV of the Seattle Indian Services Commission Charter.

“Recognizing that, in addition to social, cultural, health, educational and economic problems that are shared by all ethnic minorities in urban areas, American Indians (many of whom have reservation backgrounds) have unique social, cultural, health, educational and economic needs that require unique approaches, the purpose of the Seattle Indian Services Commission shall be to provide effective, comprehensive and coordinated planning services, activities and programs that are consistent with or related to the Seattle Model Cities Program and that will meet the unique needs of many Indian residents of Seattle who are scattered throughout the City. . .

In administering funds and contracting and exercising its powers in programs, the Seattle Indian Services Commission shall specifically include within its purpose the carrying out of programs to expand housing, job and income opportunities; the reduction of dependence upon welfare payments; the improvement of educational facilities and programs; the combat of disease and ill health; the reduction of the incidents of crime and delinquency; the enhancement of recreational and cultural opportunities; and the general improvement in the living conditions of all the people who live within Seattle and the accomplishment of these objectives through the most effective and economical concentration and coordination of federal, state and local public and private efforts.”

APPENDIX 2

SEATTLE INDIAN SERVICES COMMISSION 1998 BALANCE SHEET

ASSETS

Cash and Cash Equivalents	\$ 42,496
Due from Seattle Indian Center	51,637
Due from Seattle Indian Health Board	21,487
Other Assets	2,999
Investments – Notes (1) and (2) ²	147,337
Fund Held by Paying Agents – Note (3)	730,215
Inventory – Traditions & Beyond	48,897
Property and Equipment Net of Accumulated Depreciation – Note (4)	<u>8,772,178</u>
Total Current Assets	<u>\$9,817,246</u>

LIABILITIES

Accounts Payable	\$ 3,477
Salaries, Taxes and Benefits Payable	37,438
Rent Received in Advance	63,808
Accrued Interest Payable on Bonds Payable from Funds Held by Paying Agents – Note (3)	101,178
Bond Payable – Note (3)	<u>9,950,000</u>

Total Current Liabilities **\$10,155,901**

Equity (Deficit)

Contributed Capital – Note (5)	\$1,096,240
Accumulated Excess (deficiency) of Revenues Over Expenses	<u>(1,434,895)</u>

Total Equity (Deficit) **\$ (338,655)**

Total Liability And Fund Balance **\$9,817,246**

Source: John L. O'Brien and Company, Seattle Indian Services Commission Financial Statements for the Years Ended June 30, 1998 and 1997, and Independent Auditors' Report (July, 1999).

²John O'Brien and Company included five notes to the Balance Sheet shown above. The notes are incorporated in the Independent Auditors' Report as Exhibit E, which is ten pages in length. Exhibit E is not included in this report due to its length; however, the full audit document is on file in the City Clerk's Office and the City Auditor's Office.

APPENDIX 2 (CONTINUED)

**SEATTLE INDIAN SERVICES COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE
JUNE 30, 1998 AND 1997**

	1998	1997
Revenues		
Rental Income	\$1,126,122	\$1,092,708
Sales—Traditions & Beyond	94,947	100,114
Investment Income	47,344	50,782
Increase of Fair Value of Investment Securities	19,301	17,344
Fund Raising and Other Income	<u>8,141</u>	<u>1,153</u>
Total Revenues	<u>\$1,295,855</u>	<u>\$1,262,101</u>
Expenses		
Utilities	\$ 39,167	\$ 36,001
Maintenance, Repair and Supplies	97,958	73,990
Maintenance Salaries and Related Expenses	27,940	22,950
Taxes, Licenses and Permits		370
Insurance	14,388	14,974
Administration:		
Salaries and related expenses	126,142	137,090
Office Expenses	22,069	15,438
Audit Fees	8,930	9,470
Board Expenses	5,349	5,878
Bond Service Charges	3,705	4,402
Depreciation	262,179	262,158
Interest on Bonds Payable	607,865	620,103
Cost of Goods Sold—Traditions & Beyond	53,038	47,567
Operating Expenses—Traditions & Beyond	61,429	52,821
Fund Raising Expenses		1,907
Operations Program	7,765	7,220
Grants and Scholarships	<u>13,411</u>	<u>4,632</u>
Total Expenses	<u>\$1,351,335</u>	<u>\$1,316,971</u>

APPENDIX 3

SCHEDULE AND GENERAL REPORTING REQUIREMENTS FOR PUBLIC DEVELOPMENT AUTHORITIES

The PDA Coordinator sends notices to the City's public development authorities each year to remind them of annual reporting requirements. The following is an example of the notice sent to the agencies for the 1999 reporting period.

The following is a schedule for submittal of reports to the City Clerk and the Strategic Planning Office. This information highlights the more detailed Seattle Municipal Code Requirements document, a copy of which is attached to this memorandum.

- | | |
|--------------------|--|
| March 31, 1999 | <u>Annual Report for Operations During 1998.</u> All PDA's must file with the City Clerk and the Office of Strategic Planning an annual report that includes narrative descriptions of activities undertaken during 1998, and activities planned for 1999, the 1999 projected operating and capital budgets, if applicable, and PDA Council resolution(s); a statement of income and expenditures; and the other reports listed on page 4 of the Seattle Municipal Code (SMC) as attached. |
| April 15, 1999 | <u>Statements of Economic Interest.</u> By April 15 each year, PDA and City Clerk files must both contain current Statements of Economic Interest for all PDA Council members and all executive, professional, and administrative staff. The general schedule for filing Statements of Economic Interest is outlined below. |
| June 30, 1999 | <u>Audited Financial Statements.</u> If a PDA submits unaudited financial statements with its annual report, the PDA must submit audited financial statements to both the City Clerk and the Office of Strategic Planning by June 30 (for a PDA whose fiscal year ends December 31 or March 31). |
| September 30, 1999 | <u>Audited Financial Statements.</u> A PDA whose fiscal year ends June 30 has until this date to submit audited financial statements. |

General Reporting Requirements

- | | |
|------------------------------|---|
| <u>Rules and Regulations</u> | Any changes made to a PDA's rules and regulations must be filed with the City Clerk (and informational copies submitted to the Office of Strategic Planning) 10 days before they take effect, unless passed by unanimous vote of the PDA Council and the Constituency, if one exists, and an earlier effective date is set. Any changes not already filed with the City Clerk must accompany the PDA's annual report. |
|------------------------------|---|

Discrimination
Prohibited

All PDA's must annually submit to the City Clerk a statement that they comply with the requirements of SMC 3.110.260 as attached.

Submitting
Appointments for
Confirmation

All PDA appointments must be confirmed by the City Council.

- For every vacancy caused by the expiration of a Council member's term, the appointment is to be submitted to the City Council 60 days before the term expires.
- For vacancy of PDA Council and Constituency (elected) appointments caused by the expiration of a Council member's term: "appointment...shall be submitted to the City Council promptly after the election...occurs."
- Copies of blank forms to be filled out for appointment packages are attached to this memorandum.

Informational copies of all appointments submitted for confirmation should be sent to the PDA Coordinator in the Office of Strategic Planning.

Meetings/City
Participation

PDA's are required to inform both the Mayor and the City Council of all PDA Council and Constituency meetings. Informational copies of meeting notices and meeting minutes must be submitted to the PDA Coordinator in the Office of Strategic Planning before the meeting. Please remember to notify these offices if a meeting is canceled.

Liability Statement

SMC 3.110.390 requires PDA's to post a liability statement in a location conspicuous to the public at their principal office and for this same liability statement to appear on all contracts, bonds, and other documents that may entail debt or liability by PDA's (see SMC Requirements for an explanation and the wording of the statement).

Annual Report

See SMC Requirements 3.110.400 and list attached.

Charter Amendments

PDAs must file proposed amendments in duplicate with the City Clerk and an informational copy to the Office of Strategic Planning.

Insurance

PDAs must have public liability insurance in an amount acceptable to the Mayor. PDAs must submit with their annual report a certificate of insurance naming the City as an additional insured with a copy of the Certificate of Insurance forwarded to: Risk Manager, Department of Finance, 1st Floor Municipal Building, Seattle, Washington 98104. Any additional specific information requested by the Risk Manager should be forwarded as well.

Statements of
Economic Interest

See SMC Requirements, SMC 3.110.570

- Statements of Economic Interest are to be filed with the PDA and the City Clerk within two weeks of the time a person selected for appointment begins serving on a PDA Council, or within two weeks of the date of hire for all PDA executive, professional, and administrative staff.
 - PDA's must submit statements annually by April 15th for all PDA Council members and executive, professional, and administrative staff.
 - A copy of the Statement of Economic Interest form is attached.
-

APPENDIX 4

INFORMATION REQUIREMENTS FOR PUBLIC DEVELOPMENT AUTHORITIES' ANNUAL REPORTS

The following is a condensed list of information requirements for the annual reports submitted by the City's Public Development Authorities. The PDA Coordinator sent this listing as a courtesy to the public corporation in May 1999 to remind them of annual reporting requirements.

- Narrative summary of projects and activities planned for the current year;
 - Projected operating budget for the current year;
 - Projected capital budget for the current year (if annual capital expenditures are expected to exceed \$100,000);
 - Copy of the Council (Commission) resolution(s) adopting the budget or budgets;
 - List of corporate officers;
 - List of officers bonded and the amount of the bond;
 - List of depositories, with any planned changes noted;
 - List of all PDA Council members and other corporate officials, their positions, addresses, and telephone numbers;
 - Copy of the PDA's current rules and regulations (if these were changed and have not previously been filed); and
 - Certificate of insurance naming the City of Seattle as an additional insured with a copy to the Risk Manager.
-



THE SEATTLE INDIAN SERVICES COMMISSION
611-12th AVENUE SOUTH SUITE 100 SEATTLE, WASHINGTON 98144 206-329-6594

March 28, 2000

Ms. Susan Cohen
City Auditor
Office of the Seattle City Auditor
600 Fourth Avenue Room 1040
Seattle, Washington 98104-1876

Dear Ms. Cohen:

Responding to the audit conducted by your office has proven somewhat difficult for me. While it is my belief that every attempt was made to be thorough in analyzing the situation created when the Seattle Indian Center requested that the hot meals program be moved to the Pearl Warren Building, unfamiliarity with the way things work in the Native American community resulted in some mistakes

The hot meals problem was resolved by May 1, 1999 but the Seattle Indian Center refused to accept the decision made by six of the eight Seattle Indian Services Commission Board members (only the SIC Commissioners voted against the Commission's committee report.). By the time the City Auditor became involved in September, the Seattle Indian Center concerns had already been rejected by selected Seattle City Council members, the Mayor's Office and the Ethics Commission. Your Office's involvement, however, re-energized the Seattle Indian Center which saw another possibility for getting what they wanted. By giving the Seattle Indian Center claims continued validity, your office kept the issue alive an additional six months. Your representative spent significantly more time with Seattle Indian Center staff than she spent with anyone else. It was very clear to me that information obtained from the Seattle Indian Center was regarded as true and when it conflicted with what I said, I would be regarded with suspicion. Ultimately this ended up with a situation in which the Seattle Indian Center claimed not to have gotten copies of memos hand delivered to them in October rather than admit they'd ignored the offer of space specifically

designed for their needs. It is likely little can be done to diminish the hostility the Seattle Indian Center feels toward the Seattle Indian Services Commission. However, your Office fanned the dying coals back into a flame. The fact that this may have been done unintentionally does not diminish the harm which has been done.

A number of statements demonstrate what I mean. The audit states on page five that "relations among the Seattle Indian Services Commission and the constituent agencies was strained due to an unresolved space issue". Only the Seattle Indian Center was upset with the Seattle Indian Services Commission. The other constituent agencies were in agreement that the hot meals program should not be moved to the Pearl Warren Building. On page 6, the audit states that "The Seattle Indian Center indicated that it would pay the regular rental rate for the community space." The Seattle Indian Center did say they might be able to pay some rent for the space but the amount was never stated even though they were specifically asked what they would be able to pay. The daily regular rent for that space is \$100 per day, it is difficult to believe their hot meals budget could cover that large an expense. Finally, the report states "the need for additional space to expand the Tillie Cavanaugh Child Care Program remained unresolved from March to October 1999 despite the Seattle Indian Center's extensive response to the Seattle Indian Services Commission and Seattle Indian Health Board's requests for information regarding space needs." The Seattle Indian Center did not respond to requests regarding space needs. It still has not responded to them. In a memo received on February 14, 2000, the Seattle Indian Center's response to our proposal to develop additional space for them was:

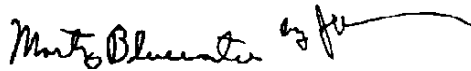
An assessment of the space needs of the SIC involves gathering the diverse, and sometimes divergent, needs and desires of several departments, coordination of those needs and desires by SIC administration into a coherent proposal to the SIC Board of Directors, Board consideration and decision, with the possibility of the Board referring the proposal back to any point in the process for re-examination. We have repeatedly explained this to the Commission, the special committee formed to consider our community meal proposal and to Commission staff. Your offer of assistance, however well intentioned, cannot be used until our internal process is complete.

A very long way of saying the Seattle Indian Center is no closer to knowing what its space needs are now than it was in December 1998. It should be noted that at as late as the last meeting of the Seattle Indian Center Board (March 20, 2000) there was no mention of the fact that the Seattle Indian Services Commission had offered to develop space specifically to meet Seattle Indian Center requirements. It should also be mentioned that the daycare

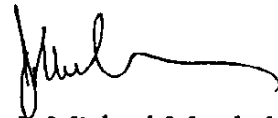
center was expanded in May 1999 and the hot meals program has continued serving the same number of clients since its move to the two spaces recommended by the Seattle Indian Services Commission special committee tried to help the Seattle Indian Center solve its space problems. To repeat, the hot meals program has been a non-issue since May 1, 1999. The conclusions which were reached in February 2000 could have been reached in October 1999. While I appreciate the positive comments made about the performance of the Executive Director and am in complete agreement with the analysis of the important role the PDA Coordinator plays, it would have been better for the Seattle Indian Services Commission had the process been condensed.

Should you need additional information, please feel free to call me at (206) 329-6594.

Sincerely,



Marty Bluewater
Chair Seattle Indian Services Commission



J. Michael Marshal
Executive Director

APPENDIX 6

AUDITOR'S COMMENTS TO SEATTLE INDIAN SERVICES COMMISSION'S RESPONSE

The Seattle Indian Services Commission's response to our study largely ignores the three positive findings and the constructive recommendations presented in the report. In addition, the response attempts to negate the second study finding and redresses its documented history of judicious management practices by focusing on its recent frustrations in dealing with the Seattle Indian Center on an unresolved space issue and with the City Auditor's Office on an unavoidable review process. The strong tone of the response is also paradoxical given the Commission's fundamental mission as the landlord of publicly financed facilities that house programs serving the Native American/Alaskan Native Community, and its observation regarding "the hostility the Seattle Indian Center feels toward the Seattle Indian Services Commission." Tenant issues are inherent in the management of public facilities.

The Seattle Indian Services Commission's response is also inconsistent with the documentation provided during the audit process and contradicts itself in the discussion of the Seattle Indian Center's space issue. The excerpts below illustrate discrepancies in the Seattle Indian Services Commission's response along with our comments.

- **Page 1, Paragraph 2: "The hot meals problem was resolved by May 1, 1999 but the Seattle Indian Center refused to accept the decision made by six of the eight Seattle Indian Services Commission Board Members. By giving the Seattle Indian Center's claims validity, your office kept the [space] issue alive an additional six months."**

We agree that Seattle Indian Services Commission reached a decision by May 1, 1999 to deny the Seattle Indian Center's request to relocate its food program from the Leschi Center to the Pearl Warren Building.³ At the same time that the decision was reached, however, the Seattle Indian Services Commission and Seattle Indian Health Board were exploring alternatives to address the Seattle Indian Center's space needs, which involved both the hot meals and child care programs. Appendix 7 contains relevant meeting minutes and correspondence from the Seattle Indian Services Commission to the Seattle Indian Center's Executive Director that document efforts to explore alternatives to resolve the Seattle Indian Center's space issue well beyond May 1, 1999.

While the Seattle Indian Center accepted the Commission's decision not to relocate the food program from the Leschi Center to the Pearl Warren Building, it is true that the Center raised numerous issues about the Commission's decision process. In addition, the Seattle Indian Center was not responsive to the Commission's subsequent efforts to address its space needs due to process issues. It is misleading, however, to indicate that the hot meals problem was resolved as of May 1, 1999 given the Commission's later actions to address the child care space that was directly constrained by the location and operation of the hot meals program.

³The Seattle Indian Services Commission made the decision to deny the relocation of the hot meals program at its regular meeting on April 28, 1999.

Furthermore, the Seattle Indian Center's concerns about the decision process and the Seattle Indian Services Commission's efforts to explore space alternatives, which was prudent from a landlord perspective, effectively "kept the issue alive."

- **Page 2, Paragraph 2: "The audit states on page five that 'relations among the Seattle Indian Services Commission agencies were strained due to an unresolved space issue.' Only the Seattle Indian Center was upset with the Seattle Indian Services Commission. The other constituent agencies were in agreement that the hot meals program should not be moved to the Pearl Warren Building."**

We agree that the Seattle Indian Center was the only constituent agency upset with the Seattle Indian Services Commission's decision to deny the proposed relocation of its food program to the Pearl Warren Building. Nevertheless, our study correctly states that "relations among several of the Commission's constituency groups became strained." This observation was drawn directly from the Seattle Indian Services Commission Executive Director's October 18, 1999 memorandum to the Seattle Indian Center's Commission, and is also based on the actions taken by multiple individuals following the Commission's April 28th decision on the hot meals program. Appendix 7 contains examples of meeting minutes and correspondence documenting the relations between the Seattle Indian Services Commission, the Seattle Indian Center and the American Indian Women's Service League subsequent to the Seattle Indian Services Commission's decision to deny the proposed relocation of the hot meals program.

Please note that on page 2, paragraphs 2 and 3, of its response, the Seattle Indian Services Commission appears to take exception with additional statements contained in our study. Upon closer examination, the Commission's response is simply elaborating on those statements, offering its opinion on the Seattle Indian Center's ability to cover additional rental expenses, and providing current information on the status of the space issue that has continued well beyond the timeframe of our review.

- **Page 2, Paragraph 4: "It should be noted that as late as the last meeting of the Seattle Indian Center Board (March 20, 2000), there was no mention of the fact that the Seattle Indian Services Commission offered to develop space specifically to meet Seattle Indian Center's requirements."**

Seattle Indian Services Commission's offer to develop space specifically to meet the Seattle Indian Center's requirements was communicated in October 1999 correspondence from the Commission's Executive Director to the Seattle Indian Center's Executive. The Commission's acknowledgement of its offer to develop space to meet the Seattle Indian Center's requirements is inconsistent with the Commission's earlier statement on page 1, paragraph 2, indicating that the hot meals problem was resolved as of May 1, 1999.

- **Page 3, Paragraph 1: “The conclusions which were reached in February 2000 could have been reached in October 1999. While I appreciate the positive comments made about the performance of the Executive Director and am in complete agreement with the analysis of the important role the PDA Coordinator plays, it would have been better for the Seattle Indian Services Commission had the process been condensed.”**

This study was conducted between September and December 1999, concurrently with another study. The study findings were based upon the review of an extensive array of historical and current documents, including multiple bond proceedings, contracts, lease agreements, annual reports, financial reports, market analyses, meeting minutes, and correspondence. Audit staff provided a technical draft study to the Seattle Indian Services Commission in January 1999 along with a separate management letter on two additional administrative issues. The final report, which included the technical corrections requested by the Seattle Indian Services Commission, was provided to the Commission for formal comment on February 4, 2000. The Seattle Indian Services Commission’s response was received on March 28, 2000. We believe the review process was timely given the scope of work.

Finally, we want to comment on one additional process item. The Seattle Indian Services Commission’s response indicates that conflicting information was provided to the auditor during the review process. The Commission’s statement is correct. Because conflicting information often surfaces during our reviews, our standard practice is to request documentation when the situation arises. The auditor may appear to be “suspicious” about the information, but is actually adhering to audit standards by requesting supporting documentation. If the supporting documentation is not forthcoming, the information will not be included in the report.

The Seattle Indian Services Commission specifically cites a conflict situation in which the Seattle Indian Center claimed not to have received hand-delivered memoranda in October 1999 that conveyed the Commission’s offer to develop additional space to address their space needs. However, the Commission’s space offer is acknowledged in our report because the same memoranda were also distributed to the Seattle Indian Center’s Commissioners at the regular Commission Meeting and were distributed as attachments to the meeting minutes.

We sincerely appreciate the cooperation of the Seattle Indian Services Commission and its constituent agencies during the review process, and regret any inconvenience associated with our study.

APPENDIX 7

REFERENCES REGARDING SEATTLE INDIAN SERVICES COMMISSION'S RESPONSE AND AUDITOR'S COMMENTS

19

SEATTLE INDIAN SERVICES COMMISSION
DRAFT
MINUTES OF THE REGULAR MEETING
APRIL 28, 1999

The Wednesday, April 28, 1999 regular meeting of the Seattle Indian Services Commission was called to order by Marty Bluewater, President, at 5:30 PM.

Present were:

Marty Bluewater - Commission, UIATF
Terry Danysh - Commissioner, SIHB
Augustine McCaffery - Commissioner, UIATF
Carl Elliott - Commissioner, SIC
Jack Richards - Commissioner, SIC
Lillian Chappell - Commissioner, AIWSL
Constance Griffin - Commissioner, AIWSL
Rosalee Walz - Commissioner, SIHB
Ralph Forquera - SIHB
Andrina Abada - AIWSL
JoAnn Cowan - City
Jim Price - SIC
Virginia Thomas - AIWSL
Victorine Joyner - SIC
David Leask - Seattle T & H
Ken Leask - Seattle T & H
Shaun Dale - SIC

Approval of the minutes from the March 16, 1999 meeting was moved by Lillian. Jack seconded the motion which passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mike reviewed the financial reports. Following the review, Terry moved the financial reports be approved. Jack seconded the motion which passed unanimously.

Mike reported there were no scholarship requests this month.

There was a request for funding of \$1,500 from First Nations at the U of W for help with their drum competition. Andrina said she had additional information and she thought the costs for the event had been covered as the Muckleshoots donated \$5,000 to the event.

Statements of Economic Interest were distributed, filled out and given to JoAnn.

Augustine handed out the sub-committee's report and recommendations (copy attached to original minutes). She reported that she and Terry had voted for siting the the hot meals program in the Leschi Center, Jack had voted against. Ralph said he had cited "quiet enjoyment" because it was a legal option open to the SIHB but pointed out the fact that the Pearl Warren Building had been designed to meet the needs of the SIHB and that moving the hot meals program into the community space would conflict with some of those needs. He further said his Board had instructed him to work on finding a solution to the SIC problem and he felt the committee had come up

with good suggestions as to how this could be done without moving the hot meals program to the Pearl Warren Building.

Terry said the process the committee had gone through had been intense with review of many documents and options but everything had remained open and civilized. One SIC staff member, in fact, said this was the best communication he had ever seen between the agencies.

Jack said he objected to the committee's report and that he thought it was in the best interest of the Indian community that the hot meals program be moved to the Pearl Warren Building. Jim Price gave another warm, fuzzy, if-we-don't-feed-them-they'll-die speech. When questioned as to why the SIC had rejected the suggestions of the SIHB and the SISC, Shaun said the SIC didn't feel they needed to consider other suggestions as they had solved the problem to their own satisfaction by moving it to the Pearl Warren Building.

Augustine said it was important to her as a Commission member not to create a situation that puts the SISC at legal risk. She further stated that organizations need to do long term planning to determine what is realistic and simply reacting when a problem arises, is seldom productive to the overall goals of an agency.

The committee was thanked for its successful work by other Commission members.

Following this discussion, Constance moved that the recommendation of the committee not to move the hot meals program to the Pearl Warren Building be approved. The motion was seconded by Rosalee and passed with all members present voting for except Jack and Carl who voted against it.

NEW BUSINESS

Marty said he hoped now that the hot meals program problem had been solved that efforts on fund raising could resume.

Augustine reported the EEOP Dinner will be happening on May 13th. Consensus for buying several tickets. She also said she will be requesting the annual scholarships for UW students. Marty said he'd be happy to present the awards again this year.

Ralph reminded people about the Spirit Walk and requested support for it.

OLD BUSINESS

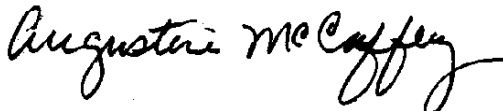
None. There being no further business the meeting adjourned at 6:30.

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April 28, 1999

To: Michael Marshall, Executive Director
Seattle Indian Services Commission

From: Augustine McCaffery
Chair, SISC Committee



Subject: Seattle Indian Center Board of Directors 1/15/99 Space Request

On behalf of the Seattle Indian Center Board of Directors David Gordy, D.D.S., Acting Chair, requested assistance from the SISC on the need for the Tillie Cavanaugh Childcare Center to expand its program to the space of the Community Services area of the Seattle Indian Center (letter dated 1/15/99). The space is currently utilized by the SIC's Hot Meals Program. The SIC Board requested use of the community space in the Pearl Warren Building for the Hot Meals Program. The SISC established a committee to consider the issue and to make recommendations to the SISC within 30 days. The committee was comprised of Augustine McCaffery ULATF representative and Committee Chair, Terry Danysh, SIHB representative, and Jack Richards, SIC Board representative. The charge of the committee included the following.

- To work with the Seattle Indian Center and the Seattle Indian Health Board representatives on the Hot Meals Program location request.
- SIHB rights, concerns and position on the request for use of the Pearl Warren Building community space.
- The implications of local, state, or federal guidelines on SIC delivery of the childcare or hot meals programs.
- The impact of the program relocation request on the broader American Indian/Alaska Native community activities and the long-term implications.
- The impact to events currently scheduled in the community space.
- Any proposed alternatives by the SIC or SIHB.
- To make recommendations for action to the Seattle Indian Services Commission.

The committee met on March 25, March 30 and April 9 with Michael Marshall, Camille Monzon (March 25 meeting only), Ralph Forquera, Victorine Joiner, Shaun Dale, Terry Danysh, Jack Richards, and Augustine McCaffery. The documents reviewed and discussed during the process are listed as appendices.

The committee voted 2 (Terry Danysh, Augustine McCaffery) to 1 (Jack Richards) to make the following recommendation to the Seattle Indian Services Commission.

The SISC committee recommends that the Seattle Indian Center Board of Directors' request of January 15, 1999, to relocate the Hot Meals Program to the Pearl Warren Building community space be denied. The committee's recommendation is based on the Seattle Indian Health Board's asserted legal right to maintain use of the community space for the SIHB activities in accord with the original agreement when the Pearl Warren Building was conceived and subsequently built.

The recommendation takes into account as well the broader American Indian and Alaska Native community's use of the community space for organization and family activities and events, and the current scheduled activities and events. The committee's process included consideration of proposed alternatives of other space within SIHB and the SIC. The SIC was encouraged to consider reconfiguration of its current space through its planning process and determination of priorities with the idea of maximizing use of the space and to more effectively accommodate program growth and needs. The process embarked upon to achieve a solution for SIC program needs is long-term. The Seattle Indian Services Commission is willing to consider a future proposal by the Seattle Indian Center.

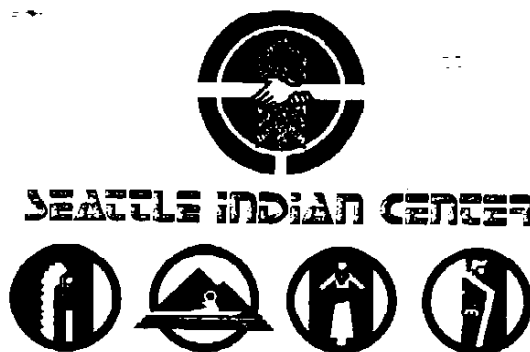
Please provide copies of the committee's recommendation to Ralph Forquera, Director, SIHB, and Camille Monzon, Director, SIC.

c: Terry Danysh
Jack Richards

Appendices:

January 15, 1999 Letter from David Gordy to Michael Marshall
January 29, 1999 Letter from Ralph Forquera to Michael Marshall
January 29, 1999 Letter from Michael Marshall to Camille Monzon
February 4, 1999 Letter from Michael Marshall to Ralph Forquera
February 16, 1999 Letter from Camille Monzon to Michael Marshall
March 16, 1999 Letter from Camille Monzon to Michael Marshall
March 16, 1999 document prepared by Terry Danysh of SISC and SIHB questions on SIC proposal and SIC's response to questions.
March 30, 1999 letter from Michael Marshall to SISC Hot Meals Study Committee
March 31, 1999 Letter from Ralph Forquera to Michael Marshall
Undated document from Michael Marshall to SISC Hot Meals Study Committee with SIC floor plan

CAMILLE MONZON, M.P.A.
Executive Director



611 Twelfth Avenue South • Suite 300
Seattle, Washington 98144
Phone (206) 329-8700
FAX (206) 328-5983

16 March 1999

Mr. J. Michael Marshall, Executive Director
Seattle Indian Services Commission
606 12th Avenue South
Seattle, WA 98144

Mike:
Dear Mr. Marshall:

I was quite surprised to receive a call from your office last week requesting that I attend a "meeting of the Executive Directors of the Seattle Indian Health Board, Seattle Indian Services Commission and the Seattle Indian Center." Given the content of the conversations and correspondence regarding the SIC request for assistance from the SISC, the reason for my shock should be apparent, but I believe I should clarify it for the record.

In Ralph Forquera's memorandum of 29 January, the SIHB adopts the position that "...we do not believe that the Seattle Indian Center has adequately justified the need..." to use the Pearl Warren space. Your response to him of 4 February states that "It is not our expectation that the community space will be used for any ongoing service programs..." and that "...the SIHB determines the base line of what constitutes "quiet enjoyment" and the compatibility of uses for the building." So far as the Executive Directors are concerned, the matter seemed very much settled, then, by 4 February 1999.

Furthermore, prior to the request to meet, I encountered Leanne Pauley last week as she was taking a census of our Hot Meals clients. I said that Ralph Forquera appeared to be very much against our request and she responded: "I'm against it, too." Further conversation elicited even more negatives about our clients. When she later called to invite me to the meeting, I told her that if the proposal does not have the support of the staff of the Commission or the Executive Directors of the constituent agencies, that the meeting could not be a productive one. I said that it was farcical to continue with the pretense. I still don't understand why this call was made, other than a proforma attempt to meet the request of the Commissioners that we meet and work together toward meeting community

needs. I declined the invitation in order to allow you to report that you had complied with your instructions without wasting any of our time.

This whole episode has been an edifying experience, if not a pleasant one. I didn't realize there would be such a total breakdown of relationships because we had the temerity to ask for help for helpless people. Mr. Forquera's predecessor, JoAnn Kauffman, was a strong leader and good administrator for her agency, but she could still see the hurt that Indian people were in without a building that could house human services for them. She was many things to the community, but she was not an elitist. We worked side by side to accomplish many things for Indian people. I don't mean to imply that we always got along famously, but we found ways to work together toward our common goals. She did not sit perched in her ivory tower, but worked diligently to help all of our people. In the 1982-84 period, it was JoAnn Kauffman and I who put forward the idea that siting health services along with human services would be beneficial to the Indian community, providing a one-stop shop.

Perhaps the Seattle Indian Services Commission and its agencies need to be reminded that without the Seattle Indian Center there would be no Leschi Center and no Pearl Warren Building. Mr. Forquera's memorandum of 29 January points out that his ability to schedule meetings for the Minority Executive Director's Coalition and the Seattle/King County Department of Public Health has "enhanced our credibility and given exposure to the SIHB and SISC as resources for the community." I see significance in the Seattle Indian Center being left out of his remarks. I did not realize the Pearl Warren Building was built to serve MEDC and the Department of Public Health. I wasn't aware that the other member agencies of the Commission, the SIC, the American Indian Women's Service League, and United Indians of All Tribes, became insignificant with the erection of a new edifice. Furthermore, as one of the original members of MEDC, I know that we founded that organization in order to insure that people of color had access to quality human services. Reducing or denying services is no way to enhance credibility with the MEDC, and they would be shocked, I'm sure, to be exposed to the knowledge that their meetings were being used as an excuse to displace needy people of color from eating. They would be further dismayed that some Indian people are putting up barriers for Indian children and other kids of color to access affordable child care.

I am also distressed by the negativity expressed toward "Seattle Indian Center clients" throughout this process. There has been a consistent classist tone expressed regarding the people we serve. The apparent fear of being sullied by exposure to actual clients indicates a degree of anal retention that is a possible health threat. If the SIHB pharmacy is short of laxatives, the SIC Foodbank has, from time to time, a generous supply of prunes. Those in need are invited to avail

themselves of that supply. It should be noted that some 90 percent of the people who use the Hot Meals program are **patients** of the Seattle Indian Health Board as well as clients of the SIC.

You will receive this letter with more than an hour to do as you deem fit, Mike. Do what you want. I couldn't prepare my response before consulting with my Board Of Directors last night, but I did want my reasons for declining the meeting of Executive Directors on the record. I do not know what the decision of the Commissioners will be, but I do know that whatever their decision, this is not the end. The Seattle Indian Center will continue to offer quality child care, feed the hungry, provide education, employment, Veteran's outreach, Emergency Services and housing to the American Indian/Alaska Native community. That has been our mission and our hallmark for over forty years. Last year we served over 32,000 individuals (unduplicated count) through these programs. We have asked for very little help from the Commission. Whether or not the Commission decides to help us now, we will not forget who we are and what we are here for. We also will not forget who has and has not been there to help.

Sincerely,
SEATTLE INDIAN CENTER

A handwritten signature in black ink, appearing to read 'Camille', with a long, sweeping horizontal line extending to the right.

Camille Monzon, M.P.A.
EXECUTIVE DIRECTOR

cc: SIC Board of Directors



THE SEATTLE INDIAN SERVICES COMMISSION
611-12th AVENUE SOUTH SUITE 100 SEATTLE, WASHINGTON 98144 206-329-6594

To: The Seattle Indian Center's Board of Directors
& Camille Monzon, Executive Director
From: The Seattle Indian Services Commission's
Commissioners & J. M. Marshall, Executive Director
Re: Space needs

J. M. Marshall, Executive Director

Date: October 26, 1999

While the Commission was not able to accommodate the SIC's request for the use of the community space for the hot meals program, the Commission remains committed to assisting the SIC in finding a solution to its space needs.

To reiterate the offer that has been made several times over the last six months. The SISC would be pleased to assist the SIC in developing a space needs assessment. Once that assessment is complete the Commission would be in a position to define the nature of assistance that might be possible.

Since the issue of space is such an important one in the Native American/Alaska Native Community, the Commission encourages that the needs assessment be as comprehensive as possible. A comprehensive survey would preclude the necessity of repeating the process every time an adjustment in space requirements was necessary.

The SISC encourages the SIC to contact us so that the process can begin as soon as possible.

In the mean time the Commission would still like to be of assistance in the matter of increased play space that was raised in the meeting between Ms. Joyner and Mr. Marshall. This seemed to be a relatively straight forward issue that could be solved quickly.

To: Seattle Indian Services Commission Commissioners
From: J. Michael Marshall
Re: Space proposal

Date: October 18, 1999

Ten months ago the Seattle Indian Services Commission was approached by the Seattle Indian Center. The SIC asked to move its hot meals program from the space it occupied in the Leschi Center to the community space in the Pearl Warren Building. After a lengthy and complex deliberation the SISC denied the request of the SIC. That was six months ago. During that six months much has happened. None of what has happened has been good for our Native American/Alaskan Native Community. While it is easy to understand the, all too human, reactions of the parties involved, what should not be forgotten is the original reason for the SIC request. SIC wanted to move their hot meals program in order to accommodate more children in the Tilly Cavanaugh Day Care Program. The SIC has made necessary changes in order to allow the daycare to expand, but the underlying issue remains. Even though the daycare space has expanded, the need for quality day care has not been diminished.

During the dispute over the relocation of the hot meals program and, unfortunately, after that dispute the underlying issue of more day care space was left substantially unresolved. What follows is a proposed solution to that problem.

The space currently used by SIC daycare is 4,107 square feet. This includes all of the space on the lower level and the space that is shared with the hot meals program on the main floor. The Pearl Warren Building as originally designed covered all of the parking in the unsecured parking area. This currently undeveloped space totals just over 6,797 square feet. If this space were reasonably developed (80% efficiency) it would yield 5,438 square feet. This is an increase in space of 1,331 square feet or 32%.

In an effort to keep this proposal simple, there is no need to belabor the details.—They will be addressed as necessary, if the basic concept can be approved. And that concept is simply this — The SISC will develop an additional 5,400 square feet of space in the Pearl Warren Building. The cost of that development will be between \$675,000 and \$1,100,000. A satisfactory financing plan will be developed that will require essentially the rent per square foot that is currently being paid in the Leschi Center. Unlike the current space, this space will be specifically designed as day care space — A play area will be developed in the space behind the Pearl; Warren building. There will be a

separate entrance on either the 12th Avenue side of the building or, if desired an entrance on the Weller Street side.

This proposal, if approved, will provide a day care center that will be designed as a daycare center and not an after thought. It will allow the SIC to use the space made available in the Leschi Center for whatever program needs they might have. It is a solution that can be implemented in a relatively short period of time. And since a temporary solution has been in place for the last five months, it will not require any relocation of existing programs.

The first step would be to contract with a structural engineer to determine the feasibility of the plan. And to discuss any potential impact with the SIHB. If the plan is conceptually approved those are the steps that will be taken before the next Commission meeting. At that meeting the next steps can be discussed.

It was just over fifteen year ago that I began working for the Commission, as most of you know I was told then, by folks at the City that the job was impossible, that those Indians just could not work together. Well we, all of us proved them wrong then and , it seems, we need to do again. I believe we can and approving this proposal will be a first step.

October 26, 1999

Ms. Victorine L. Joyner
P.O. Box 3057
Seattle, Washington 98114

Dear Ms. Joyner:

On October 9, 1999 your letter to Lillian was distributed to members of the American Indian Women's Service League. While most of it was an unprovoked attack on Lillian and the League, your contention that I advised and counseled Lillian on what to do is ridiculous. Anyone who knows Lillian as well as you should, would never expect her to do anything which violated her strong sense of morality and her long-term commitment to Seattle's Native American community. That, however, is not my problem with your letter. My problem with your letter is your erroneous contention that I have "low regard for the Seattle Indian Center, its programs and its clients." I have absolute respect for the job Carol Peloza is doing. Glennis Johnny was incredible at running the hot meals program and the food bank. She knew her clients by name and treated them with great courtesy and kindness. Jim Price is doing a good job of running the GED program. Merilou has always been polite to me and the phenomenal growth of the daycare program would be unlikely were she doing a poor job.

Regardless, your contention that I have "low regard for the Seattle Indian Center" seems to be based entirely on my statement to Camille that I did not think the Pearl Warren Building was the right place for the hot meals program. I still do not think it is the right place for the hot meals program and everyone who based his or her decision on facts agrees with me. That the SIC was able to relocate the hot meals program one working day after the Seattle Indian Services Commission voted not to move it to the Pearl Warren Building proves other solutions were always available. Five and a half months later, people are still getting hot meals. Five and a half months later, you, Jack, and Camille are still attacking me every opportunity you get.

I believe that we all need to refocus our energies. Rather than continue to point fingers at each other, we should begin working together to solve the problems that face the community we work in and work for. I would hope you would join me in doing just that.

I remain,


LeAnn Pauley

LeAnn Pauley
P.O. Box 18542
Seattle, Washington 98118

October 6, 1999

**Mr. Carl Elliott
634 Nickerson Street
Seattle, Washington 98119**

Dear Carl,

You cannot imagine my disappointment when I saw the letter sent out over your signature claiming to remove Lillian Chappell from the Seattle Indian Center (SIC) Board of Directors. At the point Lillian was alleged to have "forfeited" her position, she had already resigned and her replacement had been elected by the American Indian Women's Service League Council and was ready to serve on your Board. The SIC letter makes no sense. What kind of agency removes a volunteer who has already resigned?

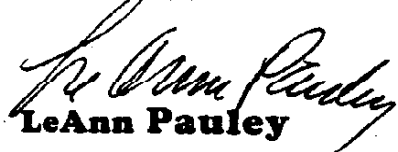
As an SIC Board member you are well aware that Lillian's attendance until the last two meetings has been excellent. You should also be aware of the fact that the attendance of many of the other members has been questionable. Did letters over your signature go out removing the other Board members with worse attendance records than Lillian? If not, why not?

I have had the pleasure of working with Lillian for over eight years, as have you. Dr. Gordy, and the other non-Native Board members may be unaware of how unselfishly Lillian has served the Native community, but you are not. The non-Natives may also be unaware of the respect the Native community accords its elders, but you are not. Lillian received extremely shabby treatment from the Seattle Indian Center (SIC). When someone has served in a volunteer capacity for as long as Lillian has, the agency served normally sends a letter of thanks. What your agency did was level baseless charges. You allowed your name to be signed to a letter which shows great disrespect to a Native American who has volunteered for decades to further the goals of the Indian community.

The Seattle Indian Center was created to bring pride and success to Indians and Alaska Natives. How could you condone leveling these charges against Lillian, a distinguished Native American elder? Do such accusations contribute anything to the worthy goal of creating a strong respected Native American community? It is a sad state of affairs when someone who has given so much for so long to the Indian community is treated with so much contempt. It is even sadder when someone who

knows better allows his name to be signed to such a travesty. I would hope the SIC would show Lillian the respect she has earned by sending her the letter of thanks she so richly deserves for the committed work she has done. In your case, I also believe a personal letter of apology is in order. It is one thing when non-Native people who have little information act in an inappropriate manner, it is far worse when a Native American elder who is as well informed about the critical issues involved in this as you are does.

Sincerely,


LeAnn Pauley

LeAnn Pauley
P.O. Box 18542
Seattle, Washington 98118

October 6, 1999

**Dr. David Gordy
801 SW 150th
Burien, Washington 98166**

Dear Dr. Gordy:

Lillian Chappell asked me to send you a copy of her letter and the letter she was sent by Mr. Elliott since she did not have your home address.

As someone who has had the pleasure of working with Lillian for over eight years, I am upset over the shabby treatment she has received from the Seattle Indian Center (SIC). When someone has served in a volunteer capacity for as long as Lillian has, the agency served normally sends a letter of thanks. What your agency did was level baseless charges.

Lillian has had an excellent attendance record on the SIC Board. She has tirelessly served the Native community. The thanks your agency has given her is to accuse her of not doing her job. Lillian missed two meetings in a row before she resigned her position. In the last year, seven other SIC Board members have missed two meetings in a row. Were they all removed on September 28, 1999?

The Seattle Indian Center was created to bring pride and success to Indians and Alaska Natives. How does leveling false charges against Lillian, a distinguished Native American elder, contribute anything to this worthy goal? It is a sad state of affairs when someone who has given so much for so long to the Indian community is treated with so much contempt. I would hope someone on your Board would show Lillian the respect she has earned by sending her the letter of thanks she so richly deserves for the committed work she has done.

Sincerely,


LeAnn Pauley



CAMILLE MONZON, M.P.A.
Executive Director

SEATTLE INDIAN CENTER

611 Twelfth Avenue South • Suite 300
Seattle, Washington 98144
Phone (206) 329-8700
FAX (206) 328-5983



September 28, 1999

Lillian Chappell
President
American Indian Women's Service League
606 12th Avenue South
Seattle, WA 98144

Dear Ms. Chappell:

This is to notify you that in accordance with Article II, Section 6 of the Seattle Indian Center's By-Laws, that you have forfeited your appointment from the American Indian Women's Service League (AIWSL) to the Seattle Indian Center's Board of Directors for three (3) consecutive unexcused absences.

Further, this is to inform you that due to your forfeiture there is an opening on the SIC's Board of Directors for a delegate from the AIWSL. In accordance with Article II, Section 2A, the League may submit the resumes of three (3) nominees for our consideration. (See attached applicable section of the By-Laws). The Personnel and Nominating Committee will be meeting on Monday, October 4, 1999 to consider applications for Board membership from your organization.

Sincerely yours,

SEATTLE INDIAN CENTER

Carl Elliott,
Secretary
BOARD OF DIRECTORS

CE:vlj

cc: SIC Boardmembers



City of Seattle

Paul Schell, Mayor

Office of the Mayor

June 15, 1999

RECEIVED

JUN 17 1999

SEATTLE INDIAN CENTER

Marty Bluewater, President
Seattle Indian Service Commission
611 12th Avenue South, Suite 100
Seattle, WA 98144

Dear Mr. Bluewater:

Thank you for your letter concerning the Seattle Indian Center's request to relocate their hot meals program. I am aware that the program is operating in new space now, and I am pleased that the direct problem has been addressed. Unfortunately, unresolved process and personnel issues remain between agencies represented on the commission, as reflected in your letter.

Our office met once with representatives of the Seattle Indian Center to discuss the hot meals program. At that meeting we asked them to work within the Indian community for a compromise solution. We feel the community will benefit more directly from continued efforts to resolve the issues without intervention from this office.

The Seattle Indian Services Commission is very effective in its work, and I am confident that your continued diplomacy among the affected parties will be fruitful.

I have asked Joann Cowan, City Public Development Authority Coordinator to brief me regularly regarding your progress.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Tom'.

Tom Byers
Deputy Mayor

Cc: Seattle Indian Center Board of Directors
Seattle Ethics and Elections Board
Seattle Indian Services Commission Members
Mr. Bernie Whitebear
Mr. Ralph Forquera
Ms. Camille Monzon
Ms. Joann Cowan, City Public Development Authority Coordinator

600 Fourth Avenue, 12th Floor, Seattle, WA 98104-1873

Tel: (206) 684-4000, TDD: (206) 684-8811, Fax: (206) 684-5360, E-mail: mayors.office@ci.seattle.wa.us

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SEATTLE INDIAN SERVICES COMMISSION
DRAFT
MINUTES OF THE REGULAR
MAY 20, 1999

The Tuesday, May 20, 1999 regular meeting of the Seattle Indian Services Commission was called to order by Marty Bluewater, President, at 5:50 PM.

Present were:

Constance Griffin - Commissioner, AIWSL
Lillian Chappell - Commissioner, AIWSL
Carl Elliott - Commissioner, SIC
Jack Richards - Commissioner, SIC
Terry Danysh - Commissioner, SIHB
Marty Bluewater - Commissioner, UIATF
Augustine McCaffery - Commissioner, UIATF
JoAnn Cowan - City of Seattle
Virginia Thomas - Public
Jim Price - SIC
Shaun Dale - SIC
Victorine Joyner - SIC

Sentence about Jim Price changed to read: Jim Price spoke in favor of moving the hot meals program. Approval of the corrected Minutes for the April 28, 1999 Regular Board Meeting was moved by Terry. Lillian seconded the motion which passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mike reviewed the financial reports following which Terry moved their approval. Lillian seconded the motion which passed unanimously.

Mike presented a scholarship request from Pauline Shafer. The Scholarship Committee reviewed the request and decided to award \$600. Jack moved that the scholarship request be approved. Augustine seconded the motion which passed unanimously.

Mike reported that the FY 2000 Budget will be distributed prior to the June meeting.

Mike reviewed the letter from Carl and Jack at some length. The concerns the Commission faces as a result of the letter are: it was not sent to all the Commissioners; it was sent to the City Council, the Deputy Mayor and the PDA Coordinator; it did not follow personnel policy procedures; the way in which this was handled exposes the Commission to potential liability; the letter's involvement of outside agencies could cause problems for the Commission and every other PDA in the City as some City Council members would like to see them all placed under Council control.

It was decided these issues should be addressed in Executive Session.

NEW BUSINESS

Augustine requested the annual awards for Native American UW students. Consensus for three \$150.00 awards which will be presented on June 10, 1999 at Daybreak Star by Marty. Augustine to get names to Mike.

Augustine said things have been particularly stressful at her department at the UW because of the whale hunt. Comments on talk radio were particularly hateful and a letter to that effect was drafted to KOMO Radio addressing the issue. The letter was then circulated for signatures.

ELECTIONS

Marty was nominated as Chairman by Lillian. Jack seconded the motion which passed unanimously.

Lillian was nominated as Vice-chairman by Constance. Terry seconded the motion which passed unanimously.

Augustine was nominated as Treasurer by Lillian. The motion was seconded by Constance and passed unanimously.

Jack was nominated as Secretary by Carl. The motion died for lack of a second. Constance was nominated as Secretary by Lillian. Terry seconded the motion which passed unanimously.

req

At 6:20 the meeting went into Executive Session. The regular meeting resumed at 9:00 at which time Terry moved that a letter be sent from Marty to the recipients of Carl & Jack's letter and the SIC Board repudiating the substance of the letter and the process which produced it. Constance seconded the motion which passed with Marty, Terry, Constance, Lillian, and Augustine voting for; Carl abstaining; and Jack voting no.

Terry made a second motion stating that while there may have been some errors of judgement on LeAnn's part none of them rise to the level of misconduct or malfeasance or the consideration of sanctions outside the normal SISC personnel process. Augustine seconded the motion which passed with Marty, Terry, Constance, Lillian, and Augustine voting for; Carl abstaining; and Jack voting no.

Further discussion of the letter to be an agenda item at the next meeting.

OLD BUSINESS

None. There being no further business the meeting adjourned at 9:10.

American Indian Women's Service League, Inc.

606 12th Avenue South Seattle, Washington 98144



April 23, 1999

Ms. Camille Monzon
3223 Cascadia Avenue South
Seattle, Washington 98144

Dear Ms. Monzon:

This week I reviewed the By Laws for the American Indian Women's Service League and realized the League is in violation of them. A member of the League who has been "absent more than three regular meetings in any given twelve month period, shall automatically have forfeited their office and/or council position." (AIWSL By Laws, Article V, Section 8). This letter is your notification you have forfeited your position as Chairwoman of the Scholarship Committee.

Sincerely,

Lillian Chappell

President

American Indian Women's Service League



RECEIVED

MAY 24 1999

SEATTLE INDIAN CENTER

THE SEATTLE INDIAN SERVICES COMMISSION
611-12th AVENUE SOUTH SUITE 100 SEATTLE, WASHINGTON 98144 206-329-6594

May 21, 1999

Mr. Jack Richards
3223 Cascadia Ave. S.
Seattle, WA 98144

Dear Mr. Richards:

At the Commission meeting of May 20th you and I engaged in a conversation concerning your appointment to the Seattle Indian Services Commission. As I stated during that conversation, it has been my understanding that the City Council had never taken action on your appointment to the Commission by the Seattle Indian Center

As you know, after an individual has been nominated to the Commission and the appropriate papers have been filed with the City, that individual can be seated at the Commission until such time as the City Council disapproves the appointment. In most cases the Council approves or disapproves a nomination. In your case I believed the Council had taken no action. At the May 20th meeting you indicated, quite strongly, that you believed they had. Since there was a clear difference of opinion, it seemed necessary to find out what the facts were. Your nomination happened some time ago and memories are all too fallible.

Today, May 21st, I accessed the City Clerk's data base to see if your nomination had been approved by Council. There was no record of it in the data base, although the approval of other Commissioners was there. There also was not a record of your nomination. The data bases maintained by the City are sometimes incomplete and so I asked the City PDA Coordinator, JoAnn Cowan, to search the actual physical records. The result of that search is that the City Clerk has no record at all of your nomination.


I personally know the paper work was sent to and received by the City, as does JoAnn Cowan, but there is no record of it. In cases where the City Council

takes action there would be a record of that action in the Council minutes, but since they took no action in your case that avenue is unavailable to us.

After I discovered this I called Mr. Johnson, who is the attorney for the Commission, explained the situation and sought his advice. He advised me to inform you and the Seattle Indian Center that you were not appropriately nominated. The purpose of this letter is to do that. The remedy for the situation is that the appointment and necessary paper work be resubmitted. Until that is done you will not be able to be seated at the Commission.

I regret that this has occurred, but once the information was available, this course of action was unavoidable.

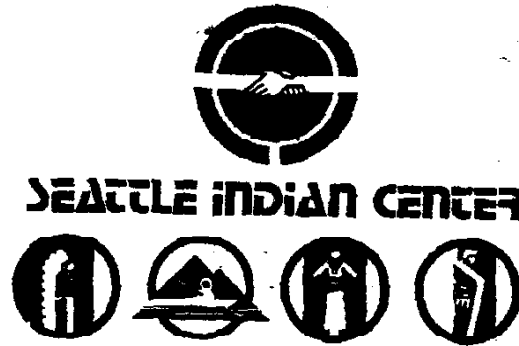
Sincerely,



J. Michael Marshall
Executive Director
Seattle Indian Services Commission

cc: Dr. David Gordy, Acting Chair, Seattle Indian Center Board of Directors
Ms. Camille Monzon, Executive Director, Seattle Indian Center

CAMILLE MONZON, M.P.A.
Executive Director



611 Twelfth Avenue South • Suite 300
Seattle, Washington 98144
Phone (206) 325-6700
FAX (206) 328-5983

May 6, 1999

Dear Fellow SISC Commissioners:

Enclosed is a copy of a letter and attachments, which were sent to only a select group of American Indian Women Service League (AIWSL) members. It was provided to us by an AIWSL member who was shocked to find SISC staff lobbying members of other constituent organizations of the Commission. Her shock was no match for our own. As you can see, LeAnn Pauley used her position as a member of staff to distribute a document which was highly critical of one organization, equally defensive of another, and directed toward the membership of a third.

The enclosures that accompanied Ms. Pauley's cover letter were incomplete, inaccurately reflecting the correspondence she cited. Not satisfied to use her position to attack a member organization of the Commission and lobby members of the AIWSL for support, she apparently decided to strengthen her case with an edited characterization of the facts.

In her letter and attachments, Ms. Pauley attempts to make the point that the Seattle Indian Center has been unwilling to make any concessions regarding the request to site the SIC Hot Meals program in the Pearl Warren Building. Both Mr. Forquera's and Mr. Marshall's proposals were introduced after the SIC letter was written which Ms. Pauley selected as an example of SIC's intransigence. There were no alternatives on the table at the time of that letter. There was simply the Seattle Indian Center proposal, which several members of the Commission and a member of the Commission staff had expressed opposition to. All of this information was proprietary as it was in committee discussion.

Ms. Pauley, a staff member of the Seattle Indian Services Commission, has inserted her personal opinion regarding the Seattle Indian Center request of the Commission at several points. While she is entitled to her opinion, we believe that the Commission is entitled to consider its business without the unrequested and unwarranted interference

15
of staff. This¹⁵ a serious breach of professional ethics and a violation of the Code of Ethics governing the Commission as a City of Seattle Public Development Authority.

As Commissioners, we all need to carefully review this correspondence to determine whether this conduct of Commission staff constitutes **prohibited conduct** which is a violation of the **Code of Ethics** under Sections 4.16.070 (1)a, (2)a, (2)c, and (4)a which govern this Commission. And, if so appropriate sanctions should be considered. A formal complaint with the City of Seattle is in the process of being filed.

To compound that breach, when members of the AIWSL Council attempted to meet and consider an appropriate AIWSL response to the SIC proposal, Ms. Pauley, under her own signature and apparently acting on her own authority, denied the AIWSL Council members the right to meet in the SISC office, since it was her opinion that the meeting was improperly called. It is our belief that the Council members are the best, indeed the only authority on what is and is not a proper meeting of the AIWSL Council.

While Carl and I advocated for a different outcome on the Seattle Indian Center proposal to site its Hot Meals program in the Pearl Warren Building, we drew some satisfaction from the efforts of the Commission to give the proposal due consideration. It seemed that every effort was made to create a climate of fairness and cooperation during the Committee and Commission work on the proposal.

Now that it has come to light that SISC staff was working so very hard to affect the outcome of our deliberations, the entire process is put in a new, and a very unflattering, light. Our agencies must be reassured that the SISC is being operated in a manner which is not partial to, or against, any of its members. We have worked hard to make progress in interagency relations. Staff has seriously damaged that progress.

Sincerely,

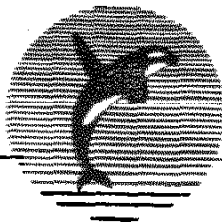


Jack Richards,
Commissioner
Seattle Indian Services Commission



Carl Elliott,
Commissioner,
Seattle Indian Services Commission

cc: Mr. Nick Licata, Seattle City Council
Mr. Peter Steinbrueck, Seattle City Council
Mr. Richard McIver, Seattle City Council
Ms. JoAnn Cowan, Public Development Authority Coordinator
Mr. Tom Byers, Deputy Mayor



THE SEATTLE INDIAN SERVICES COMMISSION
611-12TH AVENUE SOUTH SUITE 100 SEATTLE, WASHINGTON 98144 206-329-6594

April 21, 1999

Dear

In talking to Lillian, it became clear to me that some of the members at this month's League meeting could benefit from more information about what has happened in terms of the SIC hot meals program. To that end, I am sending you the letter Camille bragged about at the meeting and two proposals for solving the conflict between the SIC daycare program and the SIC hot meals program. This issue has been on the table since December and the Seattle Indian Health Board, the Seattle Indian Services Commission and a representative from United Indians of All Tribes have spent considerable time and energy attempting to arrive at a solution to this problem which provides the best possible benefits to the Native American community. Unfortunately, the Seattle Indian Center was determined to remove the hot meals program from its present location and into a building which was not designed to accommodate it. Despite the fact that the SIC has a significant amount of space which is seldom used or not used for anything but storage, they are unwilling to use it to fill their own agency's needs.

I hope you find this information useful in coming to a reasoned decision on this matter. I further hope this tempers the picture painted of the SISC and the SIHB as racist and elitist. Should you have any questions, please feel free to call me at 329-6594. I hope to see you at the Commission meeting on April 28th.

Sincerely,

LeAnn Pauley, Assistant Director
Seattle Indian Services Commission

CAMILLE MONZON, M.P.A.
Executive Director



611 Twelfth Avenue South • Suite 300
Seattle, Washington 98144
Phone (206) 329-8700
FAX (206) 328-5983

26 April 2000

Ms. Susan Cohen
City Auditor
Office of the Seattle City Auditor
600 Fourth Avenue, Room 1040
Seattle, WA 98104-1876

Dear Ms. Cohen:

Following the comments of Mr. Marty Bluewater, Chair of the Seattle Indian Services Commission, and Mr. Michael Marshall, Executive Director of the Seattle Indian Services Commission, the Seattle Indian Center believes a formal response is necessary because of issues raised by the SISC. Firstly, Mr. Marshall is not the be-all, end-all expert on "the way things work" in the Indian community that he purports to be. If he was, he certainly wouldn't have committed the blatant errors he has, along with his associate, LeAnn Pauley.

Secondly, I commend Ms. Susan Baugh on her professionalism in a difficult situation. Given the strained relations that exist between the SISC, the Seattle Indian Center and other SISC constituent organizations, her fairness and diplomacy were notable. Mr. Bluewater and Mr. Marshall state that SIC positions were regarded as true, while SISC positions were regarded with suspicion. We often felt the opposite was true. Those mutual feelings are a testimony to Ms. Baugh's impartiality. In fact, we were stunned by the reaction Mr. Bluewater and Mr. Marshall expressed toward Ms. Baugh and the process. It is unlikely that anyone will get everything they hope for out of such a process, but the SISC received more credit than we believe they deserve. Mr. Marshall won a favorable vote from 6 of 8 Commissioners in May 1999, and he received favorable remarks from Ms. Baugh. We fail to see why he isn't elated at the accolades bestowed upon him.

The first Bluewater/Marshall statement demanding comment is that "...the Seattle Indian Center refused to accept the decision made by six of the eight Seattle Indian Services Commission Board Members." The Seattle Indian Center can't "not accept" a decision of the Commission. We can disagree with their decisions, as we did in this case. When the SISC decided to deny the use of community space for serving the poor and hungry who use the Community Meal Program, we went forward with our own alternative. That alternative involves many hardships compared to our

proposal, but our commitment to providing this essential service to the community is unyielding.

What we will not accept is the process used to arrive at that decision. Commission staff lobbied constituent members on the SISC to oppose our proposal from the get go. Ms. Pauley used a ruse to try to thrust herself into a seat on our Board of Directors to influence policy. She also used the American Indian Women's Service League and other entities in her thwarted attempt. Mr. Marshall has misrepresented our positions in public meetings, refusing our attempts to clarify misunderstandings. A subcommittee was established that was a mockery of due process, when all parties recognized the conclusion as predetermined. The Commission subjected SIC's representatives, Jack Richards and Carl Elliott, to a 3.5 hour "Star Chamber" -style executive session where they were berated for bringing staff lobbying and other inappropriate behavior to light with the Mayor's office and Seattle City Council members. During the inquisition, a furious member said, "How dare you bring our dirty linen out in public!"... etc. SIC staff were subjected to contemptuous treatment by SISC staff, and SIC comments were belittled and publicly ridiculed in SISC minutes. This was simply a continuation of our punishment.

The heavy-handed manner in which the SISC has treated us has too many similarities to a "master-slave" relationship that is unacceptable. How dare we have the temerity to ask that our Community Meal Program be moved across the street? How dare we continue to exist after defying our Master? To add insult to injury, after their 6-2 vote, the SISC attacked the SIC in earnest because we had dared to challenge them. To further this assault, at the SISC June 1999 meeting, the SIC's long-standing representative on the Executive Committee, Jack Richards, was removed by election from his post. Ms. Augustine McAffrey raised the question, shouldn't the SIC have fair representation at the executive level? Her question was ignored, and the vote was taken. To this day the SIC no longer has its seat on the Executive Committee. Then, Mr. Richard's appointment was even questioned and Mr. Marshall, in fact, wrote a letter stating he could not vote on SISC matters until the issue was clarified from the City. Let us remind the City that the SIC has been a rent-paying occupant of the Leschi Center since 1988. We have returned millions of dollars on this public investment, at a current rate of nearly \$200K annually. We demand to be treated as tenants, not "slaves." The SISC is the landlord, not our "Lord and Master." As American Indians, we've had enough of white people dictating what we can and cannot do, or telling us what we need. Indian people abhor paternalism but it appears to be alive and well at the SISC.

The Bluewater/Marshall statement that "the SIC concerns had already been rejected by "selected Seattle City Council members, the Mayor's Office, etc." is particularly fatuous. What is astounding to us is the SISC's pronouncement that Mayor Schell and his staff would reject the many American Indian/Alaska Native people and the

thousands of others we provide with a much-needed service. *Who in the Mayor's office was responsible for this decision? Did Mayor Schell indeed reject the SIC's concerns? The SIC wants to know.* Furthermore, the "selected" City Council members that Bluewater/ Marshall allude to having rejected our concerns will hopefully come forward and identify themselves so that we at the SIC can enlighten them about the superb work the SIC has done in this city since 1958. In point of fact, a delegation from the SIC met with Seattle City Council members about our Community Meal Program and the manner in which we were treated . . . ergo the dreaded audit.

The SISC has repeatedly misrepresented the Seattle Indian Center's space needs. Their repeated claim that they have attempted to meet those needs by recommending solutions for the Tillie Cavanaugh Child Care Center is both specious and arrogant. We have consistently said that there is sufficient, appropriate and licensed space for the Tillie Cavanaugh Child Care Center. ***The only request we have ever made was for the relocation of the Community Meal Program to the Pearl Warren Building for one hour a day.*** When we learned that our community was not welcome in the Pearl Warren Building, we reluctantly moved into another space. That space is shared with other programs, meetings and classes. Because the Community Meal Program is so important to so many of our people, we make it work at the cost of strain on our program, our equipment and our staff.

Finally, there is the Bluewater/Marshall assertion that *"It is likely that little can be done to diminish the hostility the Seattle Indian Center feels toward the Seattle Indian Services Commission."* With an attitude like that at the highest levels of the SISC, it is virtually certain that hostility will characterize our relationship. It is regrettable that a simple request to use part of the public facilities of the SISC to serve a needy and neglected segment of the Indian community would result in a total meltdown for Mr. Marshall et al. and in attacks on our agency from multiple fronts. We do not need to get our way in order to get along. We do demand to be treated with respect and fairness. Provocative statements and bellowing performances by Mr. Marshall, Ms. Pauley's strident outbursts and their continued attacks are not indicative that the SIC is viewed with respect and fairness. Susan Baugh did not "fan the dying coals back into a flame," as Bluewater/Marshall state. Mr. Marshall did that all by himself, with help from his cohorts.


The Mayor and the Seattle City Council must look at how the Seattle Indian Services Commission is currently structured as a PDA for our American Indian/Alaska Native community. It is represented now by three community-based Indian organizations and one women's club: Seattle Indian Center, Seattle Indian Health Board, United Indians of All Tribes and finally, the American Indian Women's Service League. When the SIC requested the use of the community space at the Pearl Warren Building, SISC staff consisting of Mr. Marshall and Ms. Pauley,

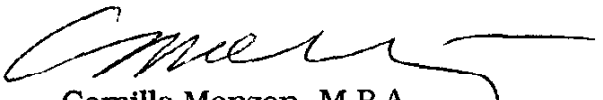
continually used the AIWSL as their bully pulpit to influence opinion and rig votes. This is a gross conflict of interest. The AIWSL is vastly different in scope, structure and purpose from the other three Commission agencies. The AIWSL is a small, volunteer membership organization with no permanent facility, which survives on "freebies" from the SISC in the form of free rent, free telephone and free secretarial services . . . in exchange for what? The AIWSL falls to the control of any faction which organizes sufficient attendance at meetings. The three Commission member organizations have substantial physical plants and widespread fiscal accountability. The annual budget of the AIWSL is not more than \$7K.

The AIWSL for years has been considered by some to be the titular head of the Indian community. Since 1975, however, the AIWSL contributions to the American Indian/Alaska Native community has been limited to less than \$1000 annually (if that) in direct service. It is composed of a small group of women, many of whom are non-Indian. All the founders and elders are now at rest, God bless them. The AIWSL should not remain on the Commission in anything more than a possible honorary role. They are not comparable to the other Commission agencies, and don't merit voting status among them, let alone 2 votes. Certainly the SISC should not be able to use them again as their pawn in the great chess game of life in Indian country. After this debacle, and others like it, the SIC wants the SISC to be restructured so that the voting membership represents entities with a stake in its decisions and accountability beyond the whims of an easily manipulated membership. For a year-and-a-half, the SIC has remained silent on the abusive treatment we've received from the SISC. We have not gone public with our information, but after this latest assault upon us, by an entity that was created to serve our needs, we will no longer be quiet.

The Seattle Indian Center will pursue whatever course of action is necessary to fight the good fight for those who have no voice and no choice. We have always done that, and we will continue to do so. We look forward to working closely with Mayor Schell and the Seattle City Council in the coming months. Thank you for your patience and indulgence.

Very truly yours.


Dr. David Gordy, D.D.S., P.S.
ACTING CHAIR
SIC BOARD OF DIRECTORS


Camille Monzon, M.P.A.
EXECUTIVE DIRECTOR
SEATTLE INDIAN CENTER

cc: SIC Board of Directors
Hon. Paul Schell, Mayor of Seattle
All Seattle City Council Members

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* * * * *

Report: **Special Study of Seattle Indian Services Commission**

Please rate the following elements of this report by checking the appropriate box:

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Background Information			
Details			
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